
SECOND SUBSTITUTE SENATE BILL 5965

State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Spanel, Gardner, Kohl-Welles, Kline and Rasmussen)

READ FIRST TIME 02/12/2002.

1 AN ACT Relating to local option real estate excise taxes for
2 affordable housing purposes; and adding a new section to chapter 82.46
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.46 RCW
6 to read as follows:

7 (1) Subject to subsections (4) and (5) of this section, the
8 legislative authority of any county may impose an additional excise tax
9 on the purchase and sale of real property in the county at the rate of
10 one-half of one percent of the selling price. The proceeds of the tax
11 shall be used exclusively for the development of affordable housing
12 including acquisition, building, rehabilitation, and maintenance and
13 operation of housing for very low, low, and moderate income persons and
14 those with special needs.

15 (2) Revenues generated from the tax imposed under this section
16 shall be placed in an affordable housing account administered by the
17 county. Disbursements from the account shall be made following a
18 competitive grant and loan process. The county legislative authority
19 shall determine a mechanism for receiving grant and loan applications,

1 and criteria by which the applications shall be approved and funded.
2 Eligible recipients of grants and loans from the account shall be
3 private nonprofit, affordable housing providers, the housing authority
4 for the county, or other housing programs conducted or funded by a
5 public agency, or by a public agency in partnership with a private
6 nonprofit entity.

7 (3) The taxes imposed under this section shall be imposed in the
8 same manner and on the same occurrences, and are subject to the same
9 conditions, as the taxes under chapter 82.45 RCW, except that the tax
10 shall be the obligation of both the purchaser and the seller, as
11 determined by the county legislative authority, with at least one-half
12 of the obligation being that of the purchaser. The county may enforce
13 the obligation through an action of debt against the purchaser or
14 seller or may foreclose the lien on the property in the same manner
15 prescribed for the foreclosure of mortgages. The imposition of the tax
16 is effective thirty days after the election at which the tax is
17 authorized.

18 (4)(a) No tax may be imposed under this section unless approved by
19 a majority of the voters of the county voting, for a specified period
20 and for a specified maximum rate. This vote must follow either:

21 (i) The adoption of a resolution by the county legislative
22 authority proposing this action; or

23 (ii) The filing of a petition proposing this action with the county
24 auditor, signed by county voters at least equal in number to ten
25 percent of the total number of voters in the county who voted in the
26 preceding general election.

27 (b) The ballot proposition shall be submitted to the voters of the
28 county at the next general election occurring at least sixty days after
29 a petition is filed, or at any special election prior to this general
30 election called for this purpose by the county legislative authority.

31 (5) No tax may be imposed under this section unless the county
32 imposes a tax under RCW 82.46.070 at the maximum rate and the tax was
33 imposed by January 1, 2003.

34 (6) A plan for the expenditure of the proceeds of the tax imposed
35 by this section shall be prepared by the county legislative authority
36 at least sixty days before the election if the proposal is initiated by
37 resolution of the county legislative authority, or within six months
38 after the tax has been authorized by the voters if the proposal is
39 initiated by petition. Prior to the adoption of this plan, the elected

1 officials of cities located within the county shall be consulted and at
2 least one public hearing shall be held to obtain public comment. The
3 proceeds of the tax shall be expended in conformance with this plan.

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